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INTERSTATE COMMERCE COMMISSION

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Date

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ICC Washington, D.C.

EXCHANGE NATIONAL BANK OF CHICAGO
130 South LaSalle Street
Chicago, Illinois 60603

December 18, 1980

Agatha L. Mergenovich, Secretary
Interstate Commerce Commission
Washington, D.C. 20423

RE: Lease of Railroad Equipment dated September 1980
between Borden, Inc. and Exchange National Bank of
Chicago, as Trustee.

Dear Ms. Mergenovich:

Pursuant to 49 U.S.C. Section 11303 and the Commission's rules and regulations thereunder, enclosed for filing on behalf of Louisville and Nashville Railroad Company, are counterparts of the following document:

Lease of Railroad Equipment dated as of September 15, 1980 between Borden, Inc. and Exchange National Bank of Chicago as Trustee under Trust Agreement dated as of September 15, 1980 with the Bank of New York.

The names and addresses of the parties to the aforementioned Lease are:

- (1) Owner-Trustee-Lessor:
Exchange National Bank of Chicago,
as Trustee under Trust Agreement
dated as of September 15, 1970 with the
Bank of New York,
130 South LaSalle Street,
Chicago, Illinois 60603
Attention: Corporate Trust Department
- (2) Lessee:
Borden, Inc.
180 East Broad Street
Columbus, Ohio 43215

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DOCKET FILES
BRANCH

Counterpart Charles J. Solie

Please file and record the document referred to in this letter and index it under the names of the Owner-Trustee-Lessor and the Lessee.

The Equipment subject to the Lease as described in Annex A thereto and consists of 50-30,000 gallon non-coiled, non-insulated tank cars with identification numbers BCD 601-650.

There is also enclosed a check for \$50 payable to the Interstate Commerce Commission, representing the fee for recording the Amendment Agreement.

Please stamp all counterparts of the enclosed document with your official recording stamp. You will wish to retain one copy of the instrument for your files. It is requested that the remaining counterparts be delivered to the bearer of this letter.

Very truly yours,

EXCHANGE NATIONAL BANK OF CHICAGO

By: 

Vice President

Enclosures

DEC 23 1980 -2 50 PM

INTERSTATE COMMERCE COMMISSION

LEASE OF RAILROAD EQUIPMENT dated as of September 15, 1980, between BORDEN, INC., a New Jersey corporation ("Lessee"), and EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, acting not in its individual capacity but solely as trustee (hereinafter sometimes "Lessor" or "Trustee") under a Trust Agreement dated as of the date hereof ("Trust Agreement") with THE BANK OF NEW YORK ("Owner").

The Trustee is entering into a Sale Agreement dated as of the date hereof ("SA") with NORTH AMERICAN CAR CORPORATION ("NACC") and the Lessee, pursuant to which NACC has agreed to sell and deliver to the Trustee the units of railroad equipment described in Appendix A hereto ("Equipment").

The Lessee desires to lease from the Trustee such units of Equipment as are delivered and accepted and settled for under the SA ("Units") upon the terms and conditions hereinafter provided.

In consideration of the agreements hereinafter set forth on or before May 31, 1981, then the Trustee hereby leases the Units to the Lessee upon the following terms and conditions:

SECTION 1. NET LEASE

This Lease is a net lease. The Lessee's obligations to pay all rentals and other amounts hereunder shall be absolute and unconditional and, except as herein specifically provided, the Lessee shall not be entitled to any abatement of rent or such other amounts, reduction thereof or setoff against rent or such other amounts, including but not limited to abatements, reductions, or setoffs due or alleged to be due by reason of any past, present or future claims of the Lessee against the Trustee under this Lease or the SA, including the Lessee's rights by subrogation thereunder to NACC or otherwise; nor, except as otherwise expressly provided herein, shall this Lease terminate or the respective obligations of the Trustee or the Lessee be otherwise affected by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Units, the prohibition of or other restriction against the Lessee's use of all or any of the Units, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization of this Lease, any insolvency of or any bankruptcy, reorganization or similar proceeding against the Lessee, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by

the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Units except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final, and the Lessee shall not seek to recover all or any part of such payment from the Trustee for any reason whatsoever.

SECTION 2. DELIVERY AND ACCEPTANCE OF UNITS

The Trustee hereby appoints the Lessee its agent for inspection and acceptance of the Units pursuant to the SA. Each delivery of a Unit to the Trustee under the SA shall be deemed to be a delivery hereunder to the Lessee at the point or points within the United States at which such Unit is so delivered to the Trustee. Upon such delivery, the Lessee will, at the expense of Lessee, cause an employee or agent of the Lessee to inspect the same, and if such Unit is found to be in accordance with the SA, to accept delivery of such Unit on behalf of the Trustee under the SA and on behalf of itself hereunder and execute and deliver to the Trustee a certificate of acceptance ("Certificate of Acceptance") in accordance with the SA, stating that such Unit has been inspected and accepted on behalf of the Lessee and the Trustee

on the date of such Certificate of Acceptance and is marked in accordance with Section 5 hereof, whereupon such Unit shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all the terms and conditions of this Lease; provided, however, that the delivery, inspection and acceptance hereunder of any Unit of Equipment excluded from the SA pursuant to Section 3.3 or 4.1 thereof shall be ineffective to subject such Unit to this Lease.

SECTION 3. RENTALS

3.1 Amount and Date of Payment. The Lessee agrees to pay to the Trustee, as rental for each Unit subject to this Lease, (a) one interim rental payment on July 1, 1981, ("Interim Payment Date") and (b) thereafter 40 consecutive semi-annual payments, in arrears, commencing January 1, 1982 and on each succeeding July 1 and January 1. The interim rental payment in respect of each Unit subject to this Lease shall be in an amount equal to .03178% of the Purchase Price (as defined in Section 4.1 of the SA) of such Unit for each day elapsed from and including the Closing Date (as defined in the SA) with respect to such Unit to, but not including, the date on which such payment is made. The 40 semi-annual rental payments in respect of each Unit subject to this Lease shall each be in an amount equal to 5.721% of the Purchase Price of such Unit. The rentals described in the immediately preceding sentence are based upon the condition that prior to July 1, 1985, a non-recourse loan secured by a security interest in the Equipment and an assignment of this Lease shall have been arranged for by the Lessee and made to the Lessor on terms and conditions, and under documents in form and substance, reasonably

satisfactory to the Lessor, Owner and Lessee. It is hereby agreed that the Lessee's rentals described in the immediately preceding sentence will be adjusted for the term of this Lease remaining after such loan is made so that after giving effect to the principal amount of said loan obtained, the interest rate and the amortization of the principal thereof, the economic benefits the Owner originally contemplated receiving (as further described in a letter from Owner deposited with Owner's independent public accountants within 30 days after the date of the last delivery of Equipment hereunder) are preserved. The Owner further agrees to advise the Lessee in writing of the fact that the letter referred to above has been deposited with said accountants. In addition, such other amendments hereto and to any other documents executed in connection herewith, shall be made as deemed necessary in the reasonable opinion of the Owner in order to preserve said economic benefits and such amendments shall be in form and substance reasonably satisfactory to the Owner and the Lessee. It is further agreed that if such loan shall not be made, then rentals hereunder commencing on July 1, 1985 shall be in an amount equal to 7.439% of the Purchase Price of each Unit then subject to this Lease, payable in arrears commencing on January 1, 1986, and semi-annually thereafter.

3.2 Payment on Nonbusiness Day. If any of the rental payment dates referred to in Section 3.1 is not a business day, the rental payment otherwise payable on such date shall be payable on the next succeeding business day. The term "business day" as used herein means any calendar day, excluding Saturdays, Sundays and any other day on which banking institutions in Chicago, Illinois or New York, New York, are authorized or obligated to remain closed.

3.3 Payment in Immediately Available Funds. The Lessee agrees to make all payments provided for in the Lease by wire transfer in immediately available funds to the Owner during normal business on the date due at the place where such payment is to be made.

SECTION 3A. CONDITIONS PRECEDENT TO FIRST DELIVERY AND
SETTLEMENT DATE

The obligation of the Lessor to acquire, lease and make payment for any Unit of Equipment is subject to the fulfillment by the Lessee of the following conditions precedent on or prior to the first delivery date of any equipment:

1. Insurance. The Lessor shall have received certificates of public liability insurance evidencing compliance by the Lessee with the provisions of Section 7.6 hereof.

2. Corporate Authority. The Lessor shall have received a copy of resolutions of the Board of Directors of the Lessee authorizing the execution and delivery of this Lease and the leasing of the Equipment by the Lessee, which copy shall be certified to be true and correct by the Secretary or Assistant Secretary of the Lessee, together with a certificate of said Secretary or Assistant Secretary as to the incumbency of the officer of the Lessee who signs the Lease and all documents required to be executed and delivered by the Lessee hereunder.

3. Opinion of Counsel to Lessee. The Lessor shall have received a favorable opinion of Counsel to the Lessee to the effect that:

(a) The Lessee is a corporation duly organized, validly existing and in good standing under the laws of the State of New Jersey and is duly licensed and qualified as a foreign corporation authorized to do business and is in good standing in each state wherein the conduct of the Lessee's business makes such license and qualification necessary,

(b) This Lease has been duly authorized, executed and delivered by the Lessee and constitutes a legal, valid and binding obligation, of the Lessee enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, reorganization, insolvency or similar laws generally affecting the enforcement of creditors' rights,

(c) The execution and delivery by the Lessee of this Lease and the performance by the Lessee of its obligations hereunder will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under its Certificate of Incorporation or By-laws, or any indenture or other agreement or instrument to which the Lessee is a party or by which it or its property may be bound, and will not result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Lessee,

(d) All consents, approvals or authorizations, if any, of any governmental authority required on the part of the Lessee in connection with the execution and delivery of this Lease or the performance of its terms have been obtained by the Lessee.

4. The Lessor shall have received a signed copy of the Lease, SA, Indemnity Agreement dated as of September 15, 1980 between Owner and Lessee and Trust Agreement dated as of September 15, 1980 between Owner and Trustee and an opinion of an independent expert in form and substance reasonably satisfactory to counsel for the Owner to the effect that the estimated fair market value and useful life of the Units of Equipment meet the tests set forth in Section 4(1)(C) of Revenue Procedure 75-21 and that the Units of Equipment are expected to be useful and usable by the Owner at the end of the lease term for purposes other than the continued leasing or transfer to the Lessee or any member of the Lessee Group (as defined in Revenue Procedure 75-21).

5. Filings. The Lessor shall have received satisfactory evidence of the fact that Interstate Commerce Commission filings, in form and substance satisfactory to counsel to the Owner, have been filed in each public filing office which, in the opinion of counsel to the Owner, is necessary in order to protect and perfect the interests of the Lessor hereunder.

In addition, the Lessor shall receive on or before each Closing Date:

(i) Invoice; Certificate of Acceptance. The Lessor shall have received (a) an invoice, Bill of Sale from NACC and an opinion of counsel for NACC, dated as of the Closing Date, addressed to the Lessor, all of the foregoing in the form and substance set forth in Section 4.5 of the SA, and (b) a Certificate of Acceptance of the Lessee in the form of Appendix D annexed hereto.

(ii) Compliance Certificate. The Lessor shall have received a certificate from an authorized officer of the Lessee to the effect that Lessee is in compliance with all the provisions of this Lease.

(iii) Proceedings; Form of Documents. All proceedings taken in connection with the Closing Date and all documents necessary to the consummation thereof shall be in form and substance mutually satisfactory to the Lessee, Lessor and their respective counsels.

(iv) The Lessor shall have received such other documents and opinions as the Lessor shall reasonably request in form and substance mutually satisfactory to the Lessor and the Lessee.

SECTION 3B. REPRESENTATION AND WARRANTY

The Lessee hereby makes the same representations and warranties to the Lessor and the Owner as are set forth in Section 3A(3)(a) through (d) of the opinion of counsel for Lessee.

SECTION 4. TERM OF LEASE

Beginning and Termination; Survival. The term of this Lease as to each Unit shall begin on the date of delivery and acceptance thereof pursuant to Section 2 hereof and, subject to the provisions of Sections 7, 13, 16 and 30 hereof, shall terminate on the date on which the final payment of rent in respect thereof is due pursuant to Section 3.1 hereof. The obligations of the Lessee hereunder (including but not limited to the obligations under Sections 6, 7, 10, 11, 12 and 17 hereof) shall survive the expiration or other termination of this Lease.

SECTION 5. IDENTIFICATION MARKS

The Lessee will cause each Unit to be kept numbered with the identification number set forth in Appendix A hereto or, in the case of any Unit not there listed, such identification number as shall be set forth in any supplement hereto extending this Lease to cover such Unit, and will keep and maintain, plainly and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words "OWNERSHIP HELD BY EXCHANGE NATIONAL BANK OF CHICAGO, TRUSTEE, AS OWNER-LESSOR", or other appropriate words designated by the Trustee, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Trustee's title to and property in such Unit. The Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such words shall have been so marked on each side thereof and will replace

promptly any such words which may be removed, defaced or destroyed. The Lessee will not change the identification number of any Unit unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with the Trustee and filed by the Lessee in all public offices where this Lease shall have been filed and (ii) the Lessee shall have furnished the Trustee an opinion of counsel to the effect that such statement has been so filed, such filing will protect the Trustee's interests in such Units and no filing with or giving of notice to any other Federal, state or local government or agency thereof is necessary to protect the interests of the Trustee in such Units.

The term "Affiliates" used herein shall mean any corporations controlling, controlled by, or under common control with the Lessee. The Units may be lettered with the names or initials or other insignia customarily used by the Lessee, its Affiliates or sublessees, but the Lessee will not allow the name of any other person, association or corporation to be placed on any Unit.

SECTION 6. GENERAL TAX INDEMNIFICATION

The Lessee assumes responsibility for and agrees to pay and agrees to protect, save, keep harmless and indemnify NACC, the Trustee, the Owner and their successors and assigns ("Indemnified Persons") against all taxes, assessments, fees, withholdings and other governmental charges of any nature whatsoever, including without limitation penalties and interest (all such

taxes, assessments, fees, withholdings, governmental charges, penalties and interest called "Taxes"), imposed on, incurred by or asserted against any Indemnified Person or any Unit in whole or in part on account of or with respect to this Lease or the SA or any document referred to herein or therein or any of the transactions contemplated hereby or thereby or the manufacture, purchase, acceptance or rejection of the Units or any portion thereof or the ownership, delivery, nondelivery, leasing, re-leasing, subleasing, possession, use, transfer of title, operation, maintenance, repair, condition, sale, return or other disposition of the Units or any portion thereof or any indebtedness with respect thereto or the rentals, receipts, earnings or gains arising therefrom; provided, however, that there shall be no indemnification hereunder (i) for any taxes imposed on or measured by any fees or compensation received by the Trustee or for any taxes payable solely as a result of any actions taken or omissions to take any actions by such Indemnified Person in breach of any covenant set forth in this Lease or in any other document contemplated hereby or in the SA and (ii) for any Federal, state and local taxes on or measured by Lessor's net income and franchise and value added taxes which are in lieu of such net income taxes. The Lessee shall pay all Taxes for which it assumes liability hereunder when such Taxes are due and will indemnify each Indemnified Person to the extent required by this Section 6 within 30 days after receipt of a written request by such Indemnified Person for indemnification specifying the amount to be paid, the basis on which such amount was determined and the nature of the Taxes in question; provided, however, that if any Taxes are being contested in accordance with the

sixth paragraph of this Section 6, any payment shall be made at the time therein provided.

In the event that the Trustee shall become obligated to make any payment to NACC or otherwise pursuant to any corresponding provision of the SA not covered by the foregoing paragraph of this Section 6, the Lessee shall pay such additional amounts (which shall also be deemed Taxes hereunder) to the Trustee as will enable the Trustee to fulfill completely its obligations pursuant to said provision.

In the event any returns, statements or reports with respect to Taxes are required to be made, the Lessee will make such returns, statements and reports in such manner as to show the interest of the Trustee in such Units, as shall be satisfactory to the Trustee; provided, however, that the Trustee shall, with respect to any state of the United States or political subdivision thereof, file such returns, statements and reports relating to sales or use taxes and taxes, fees and charges on or measured by the Trustee's earnings or gross receipts arising from the Units or the value added by the Trustee thereto as the Lessee shall determine are required to be filed and as shall be prepared by the Lessee, and the Trustee shall remit the amount thereof upon payment by the Lessee to the Trustee (such payment to be made promptly upon demand by the Trustee therefor) of such taxes, fees and charges except as provided above. To the extent that the Trustee has information necessary to the preparation of such returns, statements and reports, it will furnish such information to the Lessee.

To the extent that the Lessee may be prohibited by law from performing in its own name the duties required by this Section 6, the Trustee hereby authorizes the Lessee to act in the name of the Trustee and on its behalf; provided, however, that the Lessee shall indemnify and hold the Trustee harmless from and against any and all claims, costs, expenses, damages, losses and liabilities incurred in connection therewith as a result or incident to any action by the Lessee pursuant to this authorization.

The Lessee shall, whenever reasonably requested by the Trustee, submit to the Trustee copies of returns, statements, reports, billings and remittances, or furnish other evidence satisfactory to the Trustee of the Lessee's performance of its duties under this Section 6. The Lessee shall also furnish promptly upon request such data as the Trustee reasonably may require to permit its compliance with the requirements of taxing jurisdictions.

If any taxing authority shall assert liability for any Taxes or propose an increase in the liability of any Indemnified Person for any such Taxes (such assertion or proposed increase called a "Claim"), indemnification for which would be required under this Section 6, the Indemnified Person will notify the Lessee in writing within a reasonable time of such Claim. If the Lessee delivers to such Indemnified Person written notice of its desire to contest such Claim within 60 days (or such lesser period as may be required by law in order to avoid the imposition of fees, penalties or any adverse consequences) after

receipt of notice from such Indemnified Person, such Claim will be contested in accordance with this paragraph. Such Indemnified Person will cooperate with any reasonable request made by the Lessee in connection therewith; provided, however, that such Indemnified Person may determine, which determination shall not be unreasonably made, in what court or other forum such contest will be conducted and whether such contest will proceed by payment of the Taxes in contemplation of a suit for refund, and such Indemnified Person shall not be required to take any action pursuant to this paragraph unless and until the Lessee shall have agreed to indemnify such Indemnified Person in a manner satisfactory to such Indemnified Person for any liability or loss which such Indemnified Person may incur as a result of contesting the validity of any Claim and shall have agreed to pay such Indemnified Person on demand all costs and expenses which such Indemnified Person may incur in connection with contesting such Claim (including fees and disbursements of counsel). If in any such contest the decision is made to pay the Taxes and sue for a refund, the Lessee will advance to such Indemnified Person on an interest-free basis sufficient funds to pay the Taxes which are to be contested. Upon receipt by any Indemnified Person of a refund of any Taxes paid by the Lessee pursuant to this paragraph, the amount of such refund and any interest paid to such Indemnified Person with respect thereto shall be paid to the Lessee forthwith upon receipt by such Indemnified Person.

The Lessee covenants and agrees to pay all amounts due under this Section 6 free of any Taxes and to indemnify each Indemnified Person against any Taxes imposed by reason of any payment made by the Lessee so that the Indemnified Person to whom or for whose benefit the payment is made shall receive an amount which, net of any Taxes or other charges required to be paid by such Indemnified Person in respect thereof, shall be equal to the amount of payment otherwise required hereunder.

In the event that the Lessee becomes liable for the payment or reimbursement of any Taxes pursuant to this Section 6, such liability shall continue, notwithstanding the expiration or other termination of this Lease, until all such Taxes are paid or reimbursed by the Lessee.

SECTION 7. PAYMENT FOR CASUALTY OCCURRENCES: INSURANCE

7.1 Definition of Casualty Occurrence; Payments. In the event that any Unit shall be or become lost, stolen, destroyed or, in the opinion of the Lessee, irreparably damaged from any cause whatsoever during the term of this Lease or any renewal term hereof or until such Unit is returned pursuant to Section 14 or 17 hereof, or the Purchase Price of any Unit shall have been refunded by NACC pursuant to the terms of its patent indemnity therefor or any Unit shall be taken or requisitioned by condemnation or otherwise by the United States Government for a stated period which shall exceed the then remaining term of

this Lease or by any other governmental entity resulting in loss of possession by the Lessee for a period of 90 consecutive days during the term of this Lease or during any renewal term hereof (each such occurrence called a "Casualty Occurrence"), the Lessee shall promptly and fully notify the Trustee with respect thereto. On the next succeeding rental payment date (each such date called a "Casualty Payment Date"), the Lessee shall pay to the Trustee a sum equal to the Casualty Value (as defined in Section 7.4 hereof) of any such Unit as of such Casualty Payment Date, plus the rental in respect of such Unit accrued as of such Casualty Payment Date. Upon the making of such payment by the Lessee in respect of any Unit, the rental for such Unit shall cease to accrue, the term of this Lease as to such Unit shall terminate and the Trustee shall be entitled to recover possession of such Unit; provided, however, that the Lessee shall have no liability for a Unit which has been lost, stolen or completely destroyed if the Trustee is unable to recover such a Unit.

In addition to the occurrences constituting a Casualty Occurrence under the preceding paragraph, if any Unit shall have been taken or requisitioned by the United States Government or any other governmental entity and such taking or requisition shall not theretofore constitute a Casualty Occurrence as aforesaid, such taking or requisition shall be deemed a Casualty Occurrence if the same shall be continuing at the end of the

term of this Lease, in which event the Lessee shall promptly and fully notify the Trustee with respect thereto and pay the Trustee on the last rental payment date an amount equal to 22.23% of the Purchase Price of such Unit as the Casualty Value therefor (in addition to the rental in respect of such Unit accrued as of such date). Following such payment, the Lessee shall be entitled to receive condemnation payments in respect of such Unit up to an amount equal to such Casualty Value paid by the Lessee and any balance of such payments shall be the property of the Trustee and be immediately paid over to the Trustee. In the event such Unit shall be returned by the governmental entity prior to the time the Lessee shall have been reimbursed by such application of condemnation payments in an amount equal to such Casualty Value, then the Lessee shall dispose of such Unit as agent for the Trustee, and shall retain the proceeds of such disposition to the extent that the aggregate of the amounts so retained and the condemnation payments theretofore received by the Lessee shall equal such Casualty Value paid by the Lessee, and the balance of such proceeds shall be forthwith paid to the Trustee. In the event such Unit shall be returned by the governmental entity following the time the Lessee shall have been reimbursed by such application of condemnation payments in an amount equal to such Casualty Value, such Unit shall be returned by the Lessee to the Trustee in the manner provided in Section 17 hereof.

Whenever any Unit shall suffer a Casualty Occurrence after termination of this Lease at the expiration of the original or extended term hereof and before such Unit shall have been returned in the manner provided in Section 17 hereof, the Lessee shall promptly and fully notify the Trustee with respect thereto and pay to the Trustee (in addition to any amounts due pursuant to Section 17 hereof) an amount equal to the Casualty Value of such Unit, which shall be 22.23% of the Purchase Price of such Unit (unless such termination occurs after the term of this Lease has been extended pursuant to Section 16 hereof, in which case the amount of such Casualty Value shall be as agreed upon between the Trustee and the Lessee at the time of such extension). Upon the making of any such payment by the Lessee in respect of any Unit, the Trustee shall be entitled to recover possession of such Unit; provided, however, that the Lessee shall have no liability for a Unit which has been lost, stolen or completely destroyed if the Trustee is unable to recover such a Unit.

7.2 Requisition by United States Government not Constituting a Casualty Occurrence. In the event of the requisition for use by the United States Government of any Unit for a period which does not exceed the term of this Lease or for an indefinite period (except where deemed a Casualty Occurrence pursuant to the last paragraph of Section 7.1 hereof), all of the Lessee's obligations under this Lease with respect to such Unit shall continue to the same extent as if such requisition has not occurred. All payments

received by the Trustee or the Lessee from the United States Government for the use of such Unit during the term of this Lease shall be paid over to or retained by the Lessee, provided no Event of Default (or other event which after notice or lapse of time or both would become an Event of Default) shall have occurred and be continuing.

7.3 Lessee Agent for Disposal. The Trustee hereby appoints the Lessee its agent to dispose of any Unit suffering a Casualty Occurrence or any component thereof before and after expiration of the Lease at the best price obtainable on an "as is, where is" basis. Provided that the Lessee has previously paid the Casualty Value to the Trustee, the Lessee shall be entitled to the proceeds of such sale to the extent they do not exceed the Casualty Value of such Unit and shall pay any excess to the Trustee.

7.4 Amount of Casualty Value. The Casualty Value of each Unit as of the Casualty Payment Date on which payment is to be made as aforesaid shall be: (1) an amount equal to that percentage of the Purchase Price of such Unit as is set forth in Appendix B hereto opposite the numbered Casualty Payment Date next succeeding the actual date of such Casualty Occurrence or, if there is no such numbered Casualty Payment Date, the last rental payment date, until the loan referred to in Section 3.1 hereof is made; or (2) if the loan referred to in Section 3.1 is made, an amount, which shall preserve the Owner's economic benefits that the Owner originally contemplated receiving (as set forth in the letter referred to in Section 3.1 hereof).

7.5 No Release. Except as provided in this Section 7, the Lessee shall not be released from its obligations hereunder in the event of any Casualty Occurrence, and shall bear the risk of any Casualty Occurrence to any Unit from and after delivery and acceptance thereof by the Lessee hereunder.

7.6 Insurance to Be Maintained. (1) The Lessee will at all times prior to the return of the Units to the Trustee, at its own expense, cause to be carried and maintained public liability insurance providing coverage of not less than \$10,000,000 with respect to third party personal injury and property damage. The Lessee will have the right to self-insure for property insurance with respect to the Equipment as long as such self-insurance is consistent with its practices with respect to any of its own rail equipment. In the event Lessee is not self-insuring for property insurance under the immediately preceeding sentence, the Lessee will provide property insurance in an amount equal to the then Casualty Value of the Equipment, as adjusted from time to time. The Lessee will carry all insurance required herein in such amounts, for such risks, with such deductibles and with such insurance companies, as is satisfactory to the Trustee and in any event consistent with prudent industry practice and at least comparable in amounts and against risks customarily insured against by the Lessee in respect of equipment owned or leased by it similar in

nature to the Units. The proceeds of any such insurance shall be payable to the Trustee and, so long as no Event of Default exists and is continuing hereunder, the Lessee, as their respective interests may appear. Any policies of insurance carried in accordance with this paragraph shall (i) require 30 days' prior written notice of cancellation or material change in coverage to the Trustee, (ii) name the Trustee and the Owner as additional named insureds and as loss payees as their respective interests may appear and (iii) waive any right to claim any premiums or commissions against the Trustee and the Owner. Such policies of such insurance shall contain breach of warranty provisions, and shall provide that, in respect of the interests of the Trustee and the Owner in such policies, such insurance shall not require contributions from other policies held by the Trustee and the Owner and shall not be invalidated by any action or inaction of the Lessee or any other person (other than the Trustee and the Owner, respectively) and shall insure the Trustee and the Owner regardless of any breach or violation of any warranty, declaration or condition contained in such policies by the Lessee or by any other person (other than the Trustee or the Owner, respectively). Prior to the first date of delivery of any Unit pursuant to the SA, and thereafter not less than 30 days prior to the expiration dates of the expiring policies theretofore delivered pursuant to this Section 7, the Lessee shall deliver to the Trustee certificates issued by the insurer(s) for the insurance maintained pursuant to this Section 7; provided, however, that if the delivery of any certificate is delayed, the Lessee shall deliver an executed binder with respect thereto and shall deliver the certificate upon receipt thereof.

(2) In the event that the Lessee shall fail to maintain insurance as herein provided, the Trustee may at its option provide such insurance (giving the Lessee prompt written notice thereof) and, in such event, the Lessee shall, upon demand, reimburse the Trustee for the cost thereof together with interest thereon at the rate per annum specified in Section 19 hereof.

(3) Notwithstanding the above, the Trustee may, at its option and expense, provide casualty insurance in amounts which are in excess of the Casualty Value and which policies may name the Trustee as the loss payee. If the Trustee exercises said option, then the Lessee will cooperate with the reasonable requests of the Trustee so as to effect this insurance coverage; it being understood that any insured coverage under this subparagraph (3) is expressly within the Trustee's option and in no way relieves the Lessee from any of its responsibilities under this Section 7.6.

7.7 Insurance Proceeds and Condemnation Payments. If the Trustee shall receive any insurance proceeds or condemnation payments in respect of such Units suffering a Casualty Occurrence, the Trustee shall pay the same to the Lessee up to an amount equal to the Casualty Value with respect to any Unit and any balance shall remain the property of the Trustee; provided, however, that no Event of Default shall have occurred and be continuing and the Lessee shall have made payment of the Casualty Value and accrued rentals in respect of such Units to the Trustee. All insurance proceeds received by the Trustee in respect of any damage to any Unit not constituting a Casualty

Occurrence shall be paid to the Lessee upon proof satisfactory to the Trustee that the damage to such Unit in respect of which such proceeds were paid has been fully repaired.

SECTION 8. REPORTS

On or before March 31 in each year, commencing with the year 1981, the Lessee will furnish to the Trustee and the Owner an accurate statement stating (a) as at the preceding December 31 the total number, description and identification numbers of all Units then leased hereunder and of all Units that have suffered a Casualty Occurrence during the preceding calendar year and such other information regarding the condition and state of repair of the Units as the Trustee may reasonably request, (b) in the case of all Units repainted or repaired during the period covered by such statement, that the numbers and markings required by Section 5 hereof have been preserved or replaced and (c) that the Lessee is in compliance under this Lease and has performed or has caused to be performed the required maintenance of the Units and that no event has occurred which with notice or the lapse of time or both would constitute an Event of Default. The Trustee shall have the right by its agents to inspect the Units and the Lessee's records with respect thereto at such reasonable times as the Trustee may request during the continuance of this Lease.

SECTION 9. DISCLAIMER OF WARRANTIES

THE TRUSTEE DOES NOT MAKE, HAS NOT MADE AND SHALL NOT BE DEEMED TO MAKE OR HAVE MADE ANY WARRANTY OR REPRESENTATION,

EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE UNITS DELIVERED TO THE LESSEE HEREUNDER, AND THE TRUSTEE DOES NOT MAKE ANY WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS FOR USE OR ANY PARTICULAR PURPOSE NOR AS TO TITLE TO THE UNITS OR ANY COMPONENT THEREOF, NOR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT, EITHER UPON DELIVERY THEREOF TO THE LESSEE OR OTHERWISE, it being agreed that all such risks, as between the Trustee and the Lessee, are to be borne by the Lessee; but the Trustee hereby appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce from time to time, in the name of and for the account of the Trustee or the Lessee, as their interests may appear, at the Lessee's sole cost and expense, whatever claims and rights the Trustee may have against NACC under the provisions of Items 3 and 4 of Annex A of the SA; provided, however, that if at any time an Event of Default shall have occurred and be continuing, the Trustee may assert and enforce such claims and rights at the Lessee's sole cost and expense. The Trustee shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Units or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (ii) the use, operation or performance of any Units or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits

or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Units. The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and the Trustee that the Units described therein are in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Trustee based on any of the foregoing matters.

SECTION 10. LAWS AND RULES

10.1 Compliance. The Lessee agrees, for the benefit of the Trustee and the Owner, to comply in all respects (including without limitation the use, maintenance and operation of each Unit) with all laws of the jurisdictions in which operations involving the Units may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units, to the extent that such laws and rules affect the title, operation or use of the Units (all such laws and rules to such extent called "Applicable Laws"), and in the event that any Applicable Law requires any alteration, replacement or addition of or to any part on any Unit, the Lessee will conform therewith

at its own expense; provided, however, that the Lessee may at its own expense, in good faith, contest the validity or application of any Applicable Law in any reasonable manner which does not, in the opinion of the Trustee, adversely affect the property or rights of the Trustee under this Lease.

10.2 Reports for Trustee. The Lessee agrees to prepare and deliver to the Trustee within a reasonable time prior to the required date of filing (or, to the extent permissible, file on their behalf) any and all reports (other than income tax returns) to be filed by the Trustee with any Federal, state or other regulatory authority by reason of the ownership by the Trustee of the Units or the leasing thereof to the Lessee.

SECTION 11. MAINTENANCE

11.1 Units in Good Operating Order. The Lessee, at its own cost and expense, will maintain and keep each Unit (including any parts installed on or replacements made to any Unit and considered an accession thereto as hereinbelow provided) which is subject to this Lease in good operating order, repair and condition, ordinary wear and tear excepted, and eligible for railroad interchange in accordance with the Applicable Laws and in the same condition as other similar Equipment owned or leased by the Lessee.

11.2 Additions and Accessions. (1) Except as set forth in Sections 10.1 and 11.1 hereof, the Lessee, at its own cost and expense, may from time to time make such other additions, modifications and improvements to the Units (which shall be owned by the Lessee) as are readily removable without causing material damage to the Units (and do not adversely and materially affect the value of the Units), except to the extent such additions, modifications or improvements are made in order to comply with Section 11.2(2) hereof.

(2) Any and all parts installed on and additions and replacements made to any Unit (i) which are not readily removable without causing material damage to such Unit installed or added to such Unit in contravention of Section 11.2(1) hereof, (ii) the cost of which is included in the Purchase Price of such Unit, (iii) in the course of ordinary maintenance of the Units or (iv) which are required for the operation or use of such Unit by the Applicable Laws shall constitute accessions ("Accessions") to such Unit and full ownership thereof free from any lien, charge, security interest or encumbrance shall immediately be vested in the Trustee as its interest may appear in the Unit.

(3) Notwithstanding other provisions of Section 10 and 11 the Lessee shall have the right to request that the Lessor finance any Accessions installed by Lessee or to be installed on any Unit. Such request shall (i) describe the Accessions installed or to be installed in reasonable detail and state the dates on which Lessee anticipates that work thereon will be completed, and (ii) certify in reasonable detail the cost of such Accessions. Within 30 calendar days after receipt by Owner of Lessee's request, the Owner and Lessee shall enter into good faith negotiations toward an agreement as to appropriate terms for such Accessions which will allow the Owner to finance the payment of such cost. In the event that the Owner and Lessee are unable to agree on such financing, the Lessee nonetheless, shall not be relieved of any obligation hereunder.

If Owner and Lessee shall agree as to such terms to finance Accessions, Lessor and Lessee will execute and deliver a supplement to the Lease which shall, among other things, increase the rentals payable thereunder by Lessee.

SECTION 12. INDEMNIFICATION

12.1 Indemnified Persons. The Lessee shall pay and shall protect, indemnify and hold harmless the Trustee (in both its individual and fiduciary capacities), and the Owner and their respective successors, assigns, agents and servants ("Indemnified Persons") from and against any and all causes of action, suits, penalties, claims, demands or judgments of any nature whatsoever which may be imposed on, incurred by or asserted against any Indemnified Person (including any and all liabilities, obligations, damages, costs, disbursements or expenses relating thereto, including without limitation the attorneys' fees and expenses of any Indemnified Person) in any way relating to or arising or alleged to arise out of this Lease, the SA or the Units, including without limitation those in any way relating to or arising or alleged to arise out of (i) the manufacture, purchase, acceptance, rejection, ownership, delivery, nondelivery, lease, possession, use, operation, condition, sale, return or other disposition of any Unit or portion thereof; (ii) any latent or other defects whether or not discoverable by the Indemnified Person or the Lessee; (iii) any claim for patent or trademark infringement; (iv) any claims based on strict liability in tort; (v) any injury to or the death of any person or any damage to or loss of property or in any manner arising or alleged to arise out of the ownership, use, replacement, adaptation or maintenance of the Units or of any other equipment in connection with the Units (whether owned or under the control

of the Indemnified Person, the Lessee or any other person) or resulting or alleged to result from the condition of any thereof; or (vi) any violation or alleged violation of any provision of this Lease or of any agreement, law, rule, regulation, ordinance or restriction, affecting or applicable to the Units or the leasing, ownership, use, replacement, adaptation or maintenance thereof, except to the extent any such violation or claim arises from the gross negligence or willful misconduct of the Trustee (all such matters called "Indemnified Matters"). The Lessee shall be obligated under this Section 12.1, whether or not any Indemnified Person shall also be indemnified or insured with respect to any Indemnified Matter under any other agreement by any other person, and the Indemnified Person may proceed directly against the Lessee under this Section 12.1 without first resorting to any such other rights of indemnification or insurance. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any Indemnified Matter, the Lessee may and, upon such Indemnified Person's request, will at the Lessee's expense defend such action, suit or proceeding, or cause the same to be defended by counsel selected by the Lessee and approved by such Indemnified Person and, in the event of any failure by the Lessee to do so, the Lessee shall pay all costs and expenses (including without limitation attorneys' fees and expenses) incurred by such Indemnified Person in connection with such action, suit or proceeding. In the event the Lessee is required to make any indemnification

under this Section 12, the Lessee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against and of any other such taxes as determined in the reasonable opinion of the Indemnified Person), shall be equal to the amount of such payment. The Lessee and the Trustee each agrees to give the other promptly upon obtaining knowledge thereof written notice of any claim hereby indemnified against. Upon the payment in full by the Lessee of any indemnities as contained in this Section 12, and provided that no Event of Default (or other event which with notice or lapse of time or both would constitute an Event of Default) shall have occurred and be continuing, the Lessee shall be subrogated to any right of such Indemnified Person in respect of such Indemnified Matter. Any payments received by such Indemnified Person from any person (except the Lessee) as a result of any Indemnified Matter shall be paid over to the Lessee to the extent necessary to reimburse the Lessee for its indemnification payments previously made, but only to the extent that such payments received from any person (except the Lessee) exceed any amount necessary to fully reimburse such Indemnified Person. Nothing in this Section 12.1 shall constitute a guarantee by the Lessee of the residual value of any Unit.

12.2 Indemnification of NACC. The Lessee further agrees to indemnify, protect and hold harmless NACC as a third party beneficiary hereof from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against NACC because of the use in or about the construction or operation of any of the Units of any article or material specified by the Lessee and not manufactured by NACC or any design, process or combination specified by the Lessee and not developed by NACC which infringes or is claimed to infringe on any patent or other right. The Lessee will give notice to NACC of any claim known to the Lessee from which liability may be charged against NACC hereunder.

12.3 Survival. The indemnities contained in this Section 12 shall survive the expiration or termination of this Lease with respect to all events, facts, conditions or other circumstances occurring or existing prior to such expiration or termination and are expressly made for the benefit of and shall be enforceable by any Indemnified Person. None of the indemnities in this Section 12 shall be deemed to create any rights of subrogation in any insurer or third party against the Lessee therefor, from or under any Indemnified Person, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

SECTION 13. DEFAULT

13.1 Events of Default; Remedies. If, during the continuance of this Lease or any extension or renewal thereof, one or more of

the following events (each such event an "Event of Default") shall occur:

(A) default shall be made in payment of any amount provided for in Section 3, 7 or 17 hereof, and such default shall continue for 10 days;

(B) the Lessee shall make or permit any unauthorized assignment or transfer of this Lease, or any interest herein, or of the right to possession of any Units;

(C) default shall be made in the observance or performance of any other covenant, condition or agreement on the part of the Lessee contained herein or in the Indemnity Agreement, and such default shall continue for 30 days after written notice from the Trustee to the Lessee specifying the default and demanding that the same be remedied;

(D) any representation or warranty made by the Lessee herein, in the Indemnity Agreement or in any certificate, document or statement furnished to the Trustee pursuant to or in connection with the transaction contemplated hereby proves untrue in any material respect as of the date of making thereof;

(E) the Lessee shall become insolvent (however evidenced) or is generally not paying its debts as they become due, or a petition for reorganization under Title 11 of the

United States Code, as now constituted or as hereafter amended, shall be filed by or against the Lessee and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as any thereof shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease shall not have been and shall not continue to be duly assumed in writing within 60 days after such petition shall have been filed, pursuant to a court order or decree, by a trustee or trustees appointed (whether or not subject to ratification) in such proceedings in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such trustee or trustees; or

(F) any other proceeding shall be commenced by or against the Lessee for any relief which includes or might result in any modification of the obligations of the Lessee hereunder under any bankruptcy or insolvency laws or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as any thereof shall continue in force or such ineffectiveness shall continue), all such obligations shall not have been and shall not continue to be duly assumed in writing within 60 days after such proceedings shall have been commenced, pursuant to a court order or decree, by a trustee or trustees or receiver or

receivers appointed (whether or not subject to ratification) for the Lessee or for the property of the Lessee in connection with any such proceedings in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such trustee or trustees or receiver or receivers;

then, in any such case, the Trustee, at its option, may:

(a) proceed by appropriate court action or actions either at law or in equity to enforce performance by the Lessee of the applicable provisions of this Lease or to recover damages for the breach thereof; or

(b) by notice in writing to the Lessee terminate this Lease, whereupon all rights of the Lessee to the use of the Units shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as herein provided; and thereupon the Trustee may by its agents enter upon the premises of the Lessee or other premises, insofar as the Lessee may be lawfully authorized to so permit, where any of the Units may be located, without judicial process if this can be done without breach of the peace and in accordance with due process of law, and take possession of all or any of such Units and possess the same free from any right of the Lessee to use the Units for any purposes whatever;

but the Trustee shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period), to recover any damages and expenses, including reasonable attorneys' fees, which the Trustee shall have sustained by reason of the breach of any covenant, representation or warranty of this Lease other than for the payment of rental and also to recover forthwith from the Lessee as liquidated damages for loss of a bargain and not as a penalty whichever of the following amounts that the Trustee in its sole discretion shall specify, (i) the excess of the present value, at the time of such termination, of the entire unpaid balance of all rentals for each Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit over the then present value of the rental which the Trustee reasonably estimates to be obtainable for each Unit during such period (such present value to be computed in each case on the basis of a 7% per annum discount, compounded semi-annually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated) or, if such Unit is sold, the net proceeds of the sale or (ii) an amount equal to the excess, if any, of the Casualty Value

as of the Casualty Payment Date on or next preceding the date of termination over the amount the Trustee reasonably estimates to be the net proceeds of the sale of such Unit at such time; provided, however, that in the event the Trustee shall have sold any Unit, the Lessee shall, if the Trustee shall so elect, pay to the Trustee on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value for such Unit as of the Casualty Payment Date on or next preceding the date of termination over the net proceeds of such sale in lieu of collecting any amounts payable by the Lessee pursuant to the preceding clause (ii) with respect to such Unit.

13.2 Remedies Not Exclusive; Waiver. The remedies in this Lease provided in favor of the Trustee shall not be deemed exclusive, but shall be cumulative and may be exercised concurrently or consecutively, and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law now or hereafter in effect which might limit or modify the remedies herein provided, to the extent that such waiver is not, at the time in question, prohibited by law. The Lessee hereby waives any and all existing or future claims to any offset against the rental payments due hereunder and agrees to make such payments regardless of any offset or claim which may be asserted by or on behalf of the Lessee.

13.3 Failure to Exercise Rights is Not Waiver. The failure of the Trustee to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

13.4 Notice of Event of Default. The Lessee agrees to furnish written notice to the Trustee promptly upon any responsible officer becoming aware of any condition which constituted or constitutes an Event of Default under this Lease or which after notice or lapse of time or both would constitute such an Event of Default, specifying such condition and the nature and status thereof. A "responsible officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of the Lessee in this Lease contained, any corporate officer of the Lessee who, in the normal performance of his operational responsibilities, would have knowledge of such matter and the requirements of this Lease with respect thereto.

SECTION 14. RETURN OF UNITS UPON DEFAULT

14.1 Return of Units. If this Lease shall terminate pursuant to Section 13 hereof, the Lessee shall forthwith deliver possession of the Units to the Trustee. Each Unit so delivered shall be in the same operating order, repair and condition as

when originally delivered to the Lessee, ordinary wear and tear excepted, and shall have attached or affixed thereto any special device considered an Accession thereto as provided in Section 11 hereof and shall have removed therefrom at the Lessee's expense any addition, modification or improvement which, as provided in Section 11 hereof, is owned by the Lessee. For the purpose of delivering possession of any Unit or Units as above required, the Lessee shall at its own cost, expense and risk:

(a) forthwith and in the usual manner (including without limitation giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any Unit or Units have been interchanged or which may have possession thereof to return the Unit or Units) place such Units upon such storage tracks as the Trustee reasonably may designate;

(b) cause such Units to be stored on such tracks for a period not to exceed 150 days at the risk of the Lessee without charge for insurance, rent or storage until all such Units have been sold, leased or otherwise disposed of by the Trustee; and

(c) cause the same to be transported once to any reasonable place within the continental United States as directed by the Trustee.

The assembling, delivery, storage, insurance and transporting of the Units as hereinbefore provided shall be at the expense and risk of the Lessee and are of the essence of this Lease, and upon application to any court of equity having competent jurisdiction the Trustee shall be entitled to a decree against the Lessee requiring specific performance thereof. During any storage period, the Lessee will, at its own cost and expense, continue to insure, maintain and keep the Units in good order and repair in accordance with the provisions hereof applicable thereto and will permit the Trustee or any person designated by it, including the authorized representative or representatives of any prospective purchaser, lessee or user of any such Unit, to inspect the same. All amounts earned in respect of the Units after the date of termination of this Lease shall belong to the Trustee and, if received by the Lessee, shall be promptly turned over to the Trustee. In the event any Unit is not assembled, delivered and stored as hereinabove provided within 30 days after such termination, the Lessee shall in addition pay to the Trustee for each day thereafter an amount equal to the amount, if any, by which the percentage of the Purchase Price of such Unit for each such day (obtained by dividing the then semi-annual rent under Section 3.1 hereof for each semi-annual payment for such Unit by 180) exceeds the actual earnings received by the Trustee on such Unit for each such day. Such payment shall not offset the obligation of the Lessee to re-deliver the Equipment pursuant to the first sentence of this section.

14.2 Trustee Appointed Agent of Lessee. The Lessee hereby irrevocably appoints the Trustee as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Unit to the Trustee, to demand and take possession of such Unit in the name and on behalf of the Lessee from whosoever shall be in possession of such Unit.

SECTION 15. ASSIGNMENT, POSSESSION AND USE

15.1 Assignment; Consent. This Lease shall be assignable in whole or in part by the Trustee without the consent of the Lessee. In the event of any such assignment, the Trustee shall give notice thereof to the Lessee, provided that the failure to give such notice will not affect the validity of such assignment.

15.2 Lessee's Rights to Use the Units. (1) So long as no Event of Default exists hereunder, the Lessee shall be entitled to the possession and use of the Units in accordance with the terms of this Lease. The Lessee shall not assign or transfer its leasehold interest under this Lease in the Units or any of them without the prior written consent of the Trustee, except as provided in paragraph (2) of this Section 15.2; and the Lessee shall not part with the possession or control of, or allow to pass out of its possession or control, any of the Units without the prior written consent of the Trustee, except as provided in said paragraph (2). The Lessee, at its own

expense, will promptly pay or discharge any and all sums claimed by any party which if unpaid will become a lien, charge, security interest or other encumbrance (other than an encumbrance created by the Trustee or resulting from claims against the Trustee not related to the ownership of the Units or any sublease permitted herein on the leasehold estate of the Lessee which is subordinate to the interests of the Trustee) upon or with respect to any Unit, including any Accession thereto or the interest of the Trustee or the Lessee therein, and will promptly discharge any such lien, claim, security interest or other encumbrance which arises.

(2) So long as no Event of Default exists hereunder, the Lessee shall be entitled to the possession and use of the Units by it or any Affiliate upon lines of railroad owned or operated by it or any such Affiliate or upon lines of railroad over which the Lessee or any such Affiliate has trackage or other operating rights or over which any of their railroad equipment is regularly operated pursuant to contract and shall be entitled to permit the use of the Units upon connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements and to sublease the Units, but only upon and subject to all the terms and conditions of this Lease; provided, however, that the Lessee shall not assign, sublease or use or permit the assignment, sublease or use of any Unit outside the United States other than on a temporary run-through basis unless filings in form and substance reasonably satisfactory to Lessor are made to protect the interest of the Lessor hereunder. The

Lessee may receive and retain compensation for the use of any of the Units from railroads or other entities so using such Units. Any sublease permitted by this paragraph shall be expressly subordinate to the rights and remedies of the Trustee under this Lease in respect of the Units covered by such sublease and such subordination shall be in form and substance satisfactory to the Trustee.

15.3 Merger, Acquisition or Consolidation. Nothing in this Section 15 shall be deemed to restrict the right of the Lessee to assign its leasehold interest under this Lease or possession of the Units to any corporation incorporated under the laws of any state of the United States or the District of Columbia into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety and which shall have duly assumed the obligations of the Lessee hereunder, provided that such assignee will not, upon the effectiveness thereof, be in default under any provision of this Lease, and provided further that the surviving corporation of such a merger or consolidation or the corporation which shall have acquired the property of the Lessee has a net worth which is not less than the net worth of the Lessee immediately prior to such merger, consolidation or acquisition of property. In each case, net worth shall be determined in accordance with generally accepted accounting principles.

SECTION 16. RENEWAL OPTION

16.1 Renewal for Successive Period. The parties hereto contemplate that at the end of the original term of this Lease, the Trustee will hold the Units for reletting. Prior to the delivery of the Units pursuant to Section 2 hereof, the Trustee will enter into an agreement ("Option") with Tiger Financial Services, Inc. ("Tiger"), pursuant to which the Trustee will grant to Tiger the option to lease all but not fewer than all of the Units for a five-year term commencing at the end of the original term of this Lease on such terms as are set forth in the Option. Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, if Tiger shall fail to exercise its option to lease the Units at the end of the original term of this Lease, then the Lessee may, by written notice delivered to the Trustee not less than 60 days nor more than 180 days prior to the end of the original term of this Lease, elect to extend the term of this Lease in respect of all but not less than all the Units then covered by this Lease for a period of five years or such other time acceptable to both the Lessee and Trustee commencing on the scheduled expiration of such original term of this Lease, at a "Fair Market Rental" payable, in arrears, in semi-annual payments on the day such rentals were payable for the Units in each year of such extended term. In the event of any such renewal, the Casualty Value payable in respect of a Casualty Occurrence involving any Unit shall be as agreed upon by the Trustee and the Lessee.

16.2 Determination of Fair Market Rental. (1) The Fair Market Rental for such extended term of this Lease shall be equal to the rental which would be obtained in an arm's-length transaction between an informed and willing lessee (other than a lessee currently in possession) and an informed and willing lessor under no compulsion to lease, and costs of removal from the location of current use shall not be a deduction from such rental.

(2) If, after 45 days from the giving of notice by the Lessee of the Lessee's election to extend the term of this Lease, the Trustee and the Lessee are unable to agree upon a determination of the Fair Market Rental of the Units, either party to such determination may give written notice to the other requesting determination of such value by an appraisal procedure, and the parties shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within 20 days after such notice is given, each party shall appoint an appraiser within 25 days after such notice is given, and the two appraisers so appointed shall within 35 days after such notice is given appoint a third independent appraiser. If no such third appraiser is appointed within 35 days after such notice is given, either party may apply to make such appointment to the American Arbitration Association and both parties shall be bound by any appointment so made. Any appraiser or appraisers appointed pursuant to the foregoing procedure shall be instructed to determine the Fair

Market Rental of the Units subject to the proposed extended term within 30 days after his or their appointment. If the parties shall have appointed a single appraiser or if either party shall have failed to appoint an appraiser, the determination of Fair Market Rental of the single appraiser appointed shall be final. If three appraisers shall be appointed, the determination of the appraiser which differs most from the other two appraisers shall be excluded, the remaining two determinations shall be averaged and such latter average shall be final and binding upon the parties hereto as the Fair Market Rental. The appraisal proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect on the date hereof, except as modified hereby. The provision for this appraisal procedure shall be the exclusive means of determining Fair Market Rental and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto hereby consents and agrees not to assert any judicial or other procedures. The expenses of the appraisal procedure shall be borne by the Lessee.

16.3 Right of First Refusal. In the event the Lessee does not elect to extend the original term of the Lease prior to the time provided for such election in this Section 16.3, the Trustee hereby agrees that if it should thereafter determine to sell any Units which are subject to the Lease at the end of such term, which sale it does not now contemplate, it will promptly give the Lessee written notice of such determination; provided, however, that the Trustee will in no event

be obligated hereby to give such notice less than 90 days before the end of such term. The Lessee shall thereupon have the option, during a period of 60 days following the giving of such notice by the Owner, to elect to purchase such Units for cash at their "Fair Market Value". The Lessee may exercise this option by giving written notice to the Owner, within 60 days after notice was given by the Trustee, that the Lessee elects to purchase such Units. Upon the giving by the Lessee of such notice of election to purchase, the Lessee will be obligated to purchase from the Trustee, and the Trustee will be obligated to sell to the Lessee, such Units at their "Fair Market Value" on a date of purchase to be agreed upon by the Trustee and the Lessee, but such date of purchase will in no event be later than 10 days after determination of "Fair Market Value" in Section 16.4 hereof, the purchase price to be payable on the date of purchase at such place as the Trustee shall reasonably specify in writing and in the manner provided for rental payments pursuant to this Lease. The Lease (including the obligation to pay rent) shall be extended until such date of purchase.

16.4 Determination of Fair Market Value. (1) "Fair Market Value" shall be determined on the basis of and shall be equal in amount to, the price which would obtain in an arm's-length transaction between an informed and willing buyer and an informed and willing seller under no compulsion

to buy or sell and, in such determination, costs of removal from the location of current use shall not be a deduction from such price.

(2) If, after 45 days from the giving of notice by the Lessee of the Lessee's election to purchase, the Trustee and the Lessee are unable to agree upon a determination of the Fair Market Value of the Units, either party to such determination may give written notice to the other requesting determination of such value by an appraisal procedure, and the parties shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraisal is so appointed within 20 days after such notice is given, each party shall appoint an appraiser within 25 days after such notice is given, and the two appraisers so appointed shall within 35 days after such notice is given appoint a third independent appraiser. If no such third appraiser is appointed within 35 days after such notice is given, either party may apply to make such appointment to the American Arbitration Association and both parties shall be bound by any appointment so made. Any appraiser or appraisers appointed pursuant to the foregoing procedure shall be instructed to determine the Fair Market Value of the Units subject to the proposed extended term within 60 days after his or their appointment. If the

parties shall have appointed a single appraiser or if either party shall have failed to appoint an appraiser, the determination of Fair Market Value of the single appraiser appointed shall be final. If three appraisers shall be appointed, the determination of the appraiser which differs most from the other two appraisers shall be excluded, the remaining two determinations shall be averaged and such latter average shall be final and binding upon the parties hereto as the Fair Market Value. The appraisal proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect on the date hereof, except as modified hereby. The provision for this appraisal procedure shall be the exclusive means of determining Fair Market Value and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto hereby consents and agrees not to assert any judicial or other procedures. The expenses of the appraisal procedure shall be borne by the Lessee.

SECTION 17. RETURN OF UNITS UPON EXPIRATION OF LEASE TERM

As soon as practicable on or after the expiration of the original or the extended term of this Lease with respect to the Units, and in any event not later than 90 days thereafter, the Lessee will, at its own cost, risk and expense, and without charge to the Trustee for insurance, which shall continue to

be maintained in accordance with the provisions of this Lease, deliver possession of such Unit to the Trustee upon: either (1) any one reasonable place in the United States within a 500 mile radius of Baton Rouge, Louisiana, or (2) in the absence of such return to any such location, then as the Trustee may select; and permit the Trustee to store the Units on such tracks for a period not exceeding three months from the date the last such Unit is so delivered, and transport the same upon disposition of the Units, at any one time within such 90 day period, then to the nearest connecting carrier for shipment, all as directed by the Trustee, the movement and storage of such Units to be at the expense and risk of the Lessee. Upon delivery pursuant to the preceding sentence, the Lessee shall be absolved of any further responsibility for such Units. During any such storage period the Lessee will permit the Trustee or any person designated by it, including the authorized representative or representatives of any prospective purchaser, lessee or user of such Unit, to inspect the same; provided, however, that the Lessee shall not be liable, except in the case of negligence of the Lessee or of its employees or agents, for any injury to, or the death of, any person exercising the rights of inspection granted under this sentence. Each Unit returned to the Trustee pursuant to this Section 17 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, (ii) meet all standards of the Applicable Laws then in effect and (iii) have attached or affixed thereto all Accessions thereto as defined in Section 11 hereof and have removed therefrom any such devices not so considered Accessions. The assembling, delivery, storage, insuring

and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having competent jurisdiction, the Trustee shall be entitled to a decree against the Lessee requiring specific performance thereof. The Lessee shall be required to pay to the Trustee rent for each day any Unit is not returned by the expiration of the original or any extended term of the Lease in an amount equal to the then applicable daily lease rate factor (determined by dividing the last semi-annual amount of rent, which was payable under Section 3.1 hereof by 180) multiplied by the Purchase Price of such Unit for each day from the expiration of the Lease to the date such Unit is returned. In the event any Unit is not assembled, delivered, stored and transported, as hereinabove provided, after such expiration or termination, the Lessee shall, in addition, pay to the Trustee for each day thereafter an amount equal to the amount of all earnings above the then applicable daily lease rate factor (determined by dividing the last semi-annual amount of rent, which was payable under Section 3.1 hereof by 180) on such Unit for each such day.

SECTION 18. FILING

The Lessee, at its own expense, will cause this Lease to be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. Section 11303 prior to the delivery and acceptance of any Unit hereunder, and will undertake any filing required of the Trustee under the SA. The Lessee will from time to time perform any other act and will execute, acknowledge, deliver and file (and will refile whenever required) any and all further instruments required by law or reasonably requested

by the Trustee for the purpose of proper protection, to its satisfaction, its interest in the Units, or for the purpose of carrying out the intention of this Lease, and the Lessee will promptly furnish to the Trustee evidence of all such filing and an opinion or opinions of counsel for the Lessee with respect thereto satisfactory to the Trustee.

SECTION 19. INTEREST ON OVERDUE AMOUNTS

The Lessee shall pay, on demand, the interest ("Default Interest Rate") at the rate per annum which is the greater of (a) 12.75% or (b) 2.00% over the rate announced by the Owner as being its prime commercial lending rate, in effect from time to time, on any overdue rentals and other amounts due hereunder for the period of time during which they are overdue.

SECTION 20. TRUSTEE'S RIGHT TO PERFORM FOR LESSEE

If the Lessee fails to perform any of its agreements contained herein, the Trustee may upon notice to the Lessee perform such agreement, and the amount of the reasonable costs and expenses of the Trustee incurred in connection with such performance, together with interest on such amount at the Default Interest Rate shall be payable by the Lessee upon demand, except as otherwise provided in this Lease. No such performance or compliance by the Trustee shall be deemed a waiver of the rights and remedies of the Trustee or any assignee of the Trustee against the Lessee hereunder.

SECTION 21. NOTICES

Any notice required or permitted to be given to any party hereto shall be deemed to have been given when delivered or mailed, first class, postage prepaid, addressed as follows:

(a) if to the Lessee, at Borden, Inc., 180 East Broad Street, Columbus, Ohio, 43215, attention of Chemical Distribution Department, with a copy to the Law Department, attention of Mr. Cort Doughty.

(b) if to the Trustee, at 130 South LaSalle Street, Chicago, Illinois, 60603, attention of Corporate Trust Department, with a copy to the Owner at 48 Wall Street, New York, New York, 10015, attention of Leasing Department;

or addressed to any party at such other address as such party shall hereafter furnish to the other parties in writing. Copies of each such notice shall be given to Tiger at 200 East Randolph Drive (Suite 5500), Chicago, Illinois, 60601, attention of Vice President - Law.

SECTION 22. SEVERABILITY

Any provision of this Lease which is prohibited or unenforceable in any jurisdiction, shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, each such

provision hereof being severable in any such instance. Any such prohibition or unenforceability shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 23. EFFECT AND MODIFICATION OF LEASE

This Lease exclusively and completely states the rights of the Trustee and the Lessee with respect to the subject matter hereof and supersedes all other agreements, oral or written, with respect thereto. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers for the Trustee and the Lessee.

SECTION 24. THIRD-PARTY BENEFICIARIES

Nothing in this Lease shall be deemed to create any right in any person not a party hereto other than NACC or Owner and the permitted successors and assigns of such parties, and this instrument shall not be construed in any respect to be a contract in whole or in part for the benefit of a third party, except as aforesaid.

SECTION 25. EXECUTION

This Lease may be executed in any number of counterparts, all of which together shall constitute a single instrument, but the counterpart delivered to the Trustee shall be deemed

to be the original counterpart and all other counterparts shall have a legend on the covers so stating. Although for convenience this Lease is dated as of the date first above written, the actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgements hereto annexed.

SECTION 26. GOVERNING LAW

This Lease shall be governed by and construed in accordance with the laws of the State of Ohio; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. Section 11303.

SECTION 27. IMMUNITIES: NO RECOURSE

No recourse shall be had in respect of any obligation due under this Lease or referred to herein against any incorporator, stockholder, director or officer, as such, past, present or future, of the parties hereto or of the Owner, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of such incorporators, stockholders, directors or officers, as such, being forever released as a condition of and as consideration for the execution of this Lease.

Notwithstanding any provisions contained herein to the contrary, each and all of the representations, warranties, covenants, undertakings and agreements herein made on the part of the financial institution acting as Lessor or Trustee hereunder are made and intended not as personal representations, warranties, covenants, undertakings and agreements by said institution or for the purpose or with the intention of binding said institution personally but are made and intended for the purpose of binding only the Trust Estate (as such term is used in the Trust Agreement) and this Agreement is executed and delivered by said institution solely in the exercise of the powers expressly conferred upon said institution as trustee under the Trust Agreement; and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said institution or the Owner on account of any representation, warranty, covenant, undertaking or agreement herein of the Lessor or Trustee (except in the case of gross negligence or willful misconduct of the Trustee), either expressed or implied, all such personal liability, if any being expressly waived and released by the Lessee and by all persons claiming by, through or under the Lessee; provided, however, that the Lessee or any person claiming by, through or under the Lessee making claim hereunder may look to said Trust Estate for satisfaction of the same.

SECTION 28. AGREEMENTS FOR BENEFIT OF TRUSTEE'S ASSIGNS

All rights of the Trustee hereunder (including but not limited to its rights under Sections 6, 7, 9, 12, 13, 14, 17 and 30 and the right to receive the rentals payable under this Lease) shall inure to the benefit of the Trustee and any of the Trustee's assigns, except in the event of any assignment of this Lease, any indemnities payable or paid to the Trustee in its individual capacity.

SECTION 29. MILEAGE ALLOWANCE

Except as otherwise provided in Section 17 hereof, it is contemplated that the Lessee shall receive insofar as applicable law and regulations allow, during the term of the Lease or any renewals thereof, as long as no Event of Default shall exist and be continuing hereunder, all mileage allowance rentals and/or other compensation (hereinafter referred to as "Mileage") payable by carriers by reason of the use of the Units and if for any reason the Trustee or Owner shall receive any Mileage, then the Trustee or Owner shall remit such Mileage to the Lessee promptly.

SECTION 30. VOLUNTARY TERMINATION

Unless an Event of Default or other event which, with notice, demand and/or lapse of time, would constitute an Event of Default shall have occurred and be continuing

hereunder, the Lessee shall be entitled, at its option, upon at least 60 days prior written notice to the Trustee, to terminate the Lease once only with respect to all of the Units covered by the Lease, if the Lessee shall have made a good faith determination that such Units have become obsolete or otherwise uneconomical for use in the Lessee's operations, which notice shall be signed by the Distribution Manager of Lessee and shall state that such Units have become obsolete or otherwise uneconomical for use in the Lessee's operations; provided, however, that such termination as to such Units shall become effective only on a Rental Payment Date specified (hereinafter in this Section 30 called the "Termination Date") and in no event, prior to seven years after the last Closing Date under the SA; and provided further, that such termination shall not take effect unless the Lessee shall have fully complied with the succeeding paragraphs of this Section 30.

During the period from the giving of such notice to the Termination Date, the Lessee, as agent for the Trustee, shall use its best efforts to obtain bids for the purchase of all the Units as to which the Lease is being terminated on an "as is, where is" basis, and the Lessee shall certify to the Trustee in writing the amount of each bid received and the name and address of the person (who shall not be the Lessee or any person, firm or corporation affiliated with the Lessee) submitting such bid. For the purposes of this Lease, an "affiliate" of the Lessee shall mean any person who possesses,

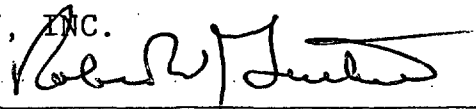
directly or indirectly, the right to vote at least 20% of the voting securities of the Lessee, and any person who, directly or indirectly, controls or is controlled by or is under common control with the Lessee, and "control" (including "controlled by" and "under common control with"), as used with respect to any person, shall mean the possession, directly or indirectly, of the power to direct or control the direction of the management and policies of such person, whether through the ownership of voting securities, by contract or otherwise. On the Termination Date, the Trustee shall, without recourse or warranty, sell the Units for cash on an as-is where-is basis to whomsoever shall have submitted the highest bid therefor prior to the Termination Date, and thereupon the Lessee shall cause the Units to be delivered to the Trustee in accordance with the terms of Section 17 hereof. If the sale of the Units shall not occur on the Termination Date, the Lessee shall not cause such delivery of the Units to the Trustee; and the Lease shall continue in full force and effect. The Trustee shall be under no duty to (but may) solicit bids, to inquire into the efforts of the Lessee to obtain bids or otherwise to take any action in connection with any such sale other than as expressly provided in this Section 30.

The total sale price realized at any such sale of such Units shall be retained by the Trustee and, in addition, the Lessee shall pay to the Trustee on the Termination Date the excess, if any, of (i) the aggregate Termination Value of the Units which shall be the percentage of the aggregate

Purchase Price of such Units set forth in Appendix C of the Lease opposite the number which corresponds to the Termination Date, over (ii) the proceeds of such sale less all expenses incurred by the Trustee or Owner in connection with such sale or with the collection or distribution of such payment. The Lessee shall also be obligated to pay the Trustee on the Termination Date any and all rentals and other sums due hereunder with respect to the Units accrued up to and including the Termination Date. In the event of such sale and compliance by the Lessee with all the provisions of this Section 30, the obligation of the Lessee to pay rental hereunder on all rental payment dates commencing after the Termination Date shall terminate.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by duly authorized officers as of the date first above written.

BORDEN, INC.

By 
Executive Vice-President

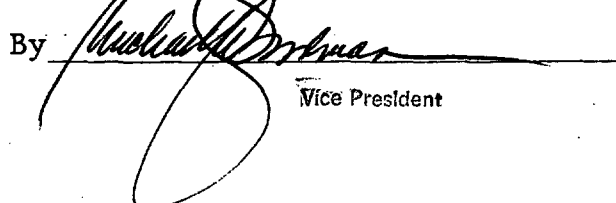
Corporate Seal

Attest:


ASS'T SECRETARY

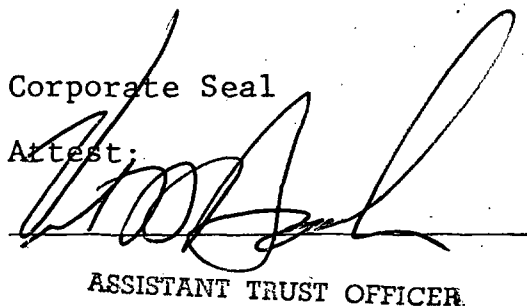
EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity but
solely as Trustee under a Trust
Agreement dated as of September 15,
1980 with the Bank of New York.

By


Vice President

Corporate Seal

Attest:


ASSISTANT TRUST OFFICER

STATE OF ^{Ohio}~~NEW YORK~~,)
) ss.:
COUNTY OF ~~Franklin~~,)

On this 22nd day of Dec. 1980, before me personally appeared Robert W. Gutheil, to me personally known, who, being by me duly sworn, says that he is ~~Exec. Vice President~~ of BORDEN, INC., a Delaware corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

(Notarial Seal)

My Commission expires 12/13/84

Jane Elizabeth Adair
Notary Public
JANE ELIZABETH ADAIR
NOTARY PUBLIC - STATE OF OHIO
MY COMMISSION EXPIRES DEC. 13, 1984

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this 18 day of Dec. 1980, before me personally appeared MICHAEL D. GOODMAN, to me personally known, who, being by me duly sworn, says that he is a ~~Vice President~~ of EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, that one of the seals affixed to the foregoing instrument is the seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

(Notarial Seal)

My Commission expires My Commission Expires December 13, 1983

Dolly G. Jenkins
Notary Public

APPENDIX A TO THE LEASE

Units of Railroad Equipment

<u>Type</u>	<u>AAR Mechanical Designation</u>	<u>Specifi- cations</u>	<u>Plant</u>	<u>Quantity</u>	<u>Lessee's Identification Numbers (Both Inclusive)</u>	<u>Estimated , Unit Base Price</u>	<u>Estimated Total Base Price</u>	<u>Estimated Time and Place of Delivery</u>
30,000 gallon non-coiled non-insu- lated tank cars	TM	NA-18 as amended by NAC	Chicago Ridge, Illinois	50	BCD 601-650	\$56,500	\$2,852,000	December 1980 through February 1981 in Diboll, Texas

APPENDIX B TO THE LEASE

Casualty Values

<u>Casualty Payment Dates</u>	<u>Percentage of Purchase Price</u>
1	112.0089%
2	115.4684%
3	118.1713%
4	121.2234%
5	123.2913%
6	125.9669%
7	127.4529%
8	129.7824%
9	129.0918%
10	129.2747%
11	127.9643%
12	127.6677%
13	125.8123%
14	125.0498%
15	122.6957%
16	121.4835%
17	118.6789%
18	117.0360%
19	113.8312%
20	111.7799%
21	108.2275%
22	105.7934%
23	101.9483%
24	99.1606%
25	95.0666%
26	91.9426%
27	87.6119%
28	84.1399%
29	79.5597%
30	75.7117%
31	70.8619%
32	66.6077%
33	61.4669%
34	56.7740%
35	51.3190%
36	46.1525%
37	40.3583%
38	34.6803%
39	28.5201%
40	22.2297%

APPENDIX C TO THE LEASE

Termination Values

<u>Termination Payment Dates</u>	<u>Percentage of Purchase Price</u>
15	124.3129%
16	123.3029%
17	120.7038%
18	119.2859%
19	116.3095%
20	114.5060%
21	111.2048%
22	109.0414%
23	105.4703%
24	102.9761%
25	99.1789%
26	96.3713%
27	92.3603%
28	89.2275%
29	84.9898%
30	81.5038%
31	77.0194%
32	73.1501%
33	68.3975%
34	64.1123%
35	59.0683%
36	54.3323%
37	48.9720%
38	43.7474%
39	38.0439%
40	32.2297%

APPENDIX D

Certificate of Acceptance

Exchange National Bank of Chicago
130 South LaSalle Street
Chicago, IL 60690
ATTN: Corporate Trust Department

Borden, Inc.
180 East Broad Street
Columbus, OH 43215

The Bank of New York
48 Wall Street
New York, NY 10015
ATTN: Leasing Department

I am a duly authorized representative for North American Car Corporation ("NACC"), Exchange National Bank of Chicago, not in its individual capacity but solely as Trustee under a Trust Agreement ("Exchange"), and Borden, Inc. (the "Lessee"), under the Sale Agreement dated as of September 15, 1980, between NACC and Exchange (the "SA"); and the Lease of Railroad Equipment, dated as of September 15, 1980, between Borden, Inc. and Exchange (the "Lease"). I do hereby certify that I have inspected and accepted delivery thereunder of the following Units of Equipment.

TYPE OF EQUIPMENT:

DATE ACCEPTED:

NUMBER OF UNITS:

NUMBERED:

PLACE OF ACCEPTANCE:

I hereby certify that the foregoing Units are in good order and condition, and conform to the Specifications, requirements, and standards applicable thereto as required by Article 3 of the SA.

I further certify that each of the foregoing Units has been marked plainly and conspicuously on each side of each Unit in accordance with Article 10 of the SA and Section 5 of the Lease, in letters not less than one inch in height as follows:

"OWNERSHIP HELD BY EXCHANGE NATIONAL BANK OF CHICAGO,
TRUSTEE, AS OWNER/LESSOR."

And therefore, I hereby represent, warrant, and state that the above identified Units have been inspected and accepted on behalf of Exchange, the Lessee and NACC on the date indicated above under the power authorized in me pursuant to the terms of Article 3 of the SA and Section 2 of the Lease.

Authorized Representative of Exchange
National Bank of Chicago, (not in its
individual capacity but solely as
Trustee), Borden, Inc. and NACC.